

I hereby certify that this correspondence  
is being deposited with the United States  
Postal Service as first class mail in an  
envelope addressed to:

Assistant Commissioner for Patents

Washington, D.C. 20231, on 11-19-97

220 155  
P. Gregg  
#16 App'd  
Brief  
12/6/97

Wm J. Blenko Jr.  
Attorney for Applicant

Nov 14, 1997  
Date

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES**

Art Unit 2411 :  
Examiner Barton Bainbridge :  
Applicant: Gordon T. Brown : AUTOMATED ACCOUNTING SYSTEM  
Serial No. 08/313,988 :  
Filed September 28, 1994 : ORAL HEARING REQUESTED

**BRIEF FOR APPELLANT**

**(1) Real Party in Interest**

The real party in interest is Gordon T. Brown, the applicant.

12/03/1997 BALEXAND 00000081 DAH:022556 08313988  
01 FC:220 155.00 CH  
02 FC:221 135.00 CH

(2) Related Appeals and Interferences

The applicant is not aware of any other appeal or interference which will directly affect or be directly affected by or have a bearing on the Board's decision in this appeal.

(3) Status of Claims

Claims 2-7, 14-17, and 21-28 have been finally rejected by the examiner. The remaining Claims, Nos. 1, 8-13, and 18-20 have been cancelled. All of the rejected claims are on appeal (the Notice of Appeal inadvertently included Claim 18 as on appeal although it has in fact been cancelled). The appealed claims are attached to this brief as an appendix.

(4) Status of Amendments

An amendment to Claim 21 to correct a typographical error has been entered by the Examiner for purposes of appeal.

(5) Summary of Invention

The invention which is the subject of this appeal is an automated accounting system which will provide financial accounting reports, statements and the like (specification, p. 3, lines 11-19; p. 3, line 28; p. 4, line 22). In simplest terms, the applicant's conception leads to a method by which such reports can be produced directly from the performance of financial transfers and by instructions to make those financial transactions. The conception is an entirely new one which can be used to produce accounting statements with a substantial

reduction in time and effort (Specification, p. 10, lines 14-17). The applicant's method employs a menu of transaction codes (specification, p. 5, lines 1-11). Normally, these will be standardized codes, but specialized codes may also be employed. The user of the method such as a bank, having as its customer an individual or small business, may conduct a plurality of separate financial transactions with other entities such as other banks, merchants and vendors or vendees to the customer, and including transfer of funds or instructions for the transfer of funds (specification, p. 5, line 12; p. 6, line 2). At the time the funds are transferred or instructions are given for the transfer, a transaction code is selected from the menu and the record of the instruction and transaction code are transmitted to the entity involved for storage within a file (specification, p. 7, lines 6-25). On a periodic basis, e.g. monthly, an accounting statement is prepared and delivered in a desired format (specification, p. 10, lines 3-32). The accounting statement may be in the form of an electronic display or it may be in printed form for permanent retention.

The invention is described in the specification starting at page 3, line 28 and extending through page 4, line 23. A detailed step by step exposition of the invention follows commencing at page 4, line 23. Use of standardized transaction codes is described in some detail at page 5, line 1 through page 6, line 2. The specification continues with specific operating details of a present preferred embodiment at page 7, lines 6 et seq. The specification describes the assigning of personal/business code numbers for transaction recording (lines 7-8). Thereafter, ledger data, processing, and transfer options are selected (lines 14-15). The specification continues to describe the input process. It will be seen therefore that a series of steps are taken sequentially one following another. The entry of

coding on a credit card transaction is disclosed at page 8, lines 17-19. Thereafter, the data inputs are transferred to the master ledger (page 9, lines 8-9). It will be seen therefore that a series of steps are set forth which extend over a finite time period, i.e., they do not occur simultaneously and instantaneously. Nevertheless, these steps take place at about the time of the transaction.

The specification includes an extended disclosure of how the invention may be practiced on a step by step basis. It is thought to be unnecessary to discuss this aspect in detail in view of the nature of the claimed invention.

(6) Issues

Three separate grounds are relied upon in the final rejection:

- (a) The examiner objects to use of the term "at about the time of the transaction" which is used in Claim 28 and those dependent from it to identify the time when a transaction code is associated with transfer or instructions for transfer of funds.
- (b) Some claims are rejected under 35 U.S.C. Section 112 on the basis that the words "standardized codes" in Claim 28 are indefinite.
- (c) All claims are rejected under 35 U.S.C. Section 103 under the Kniffen reference which is an online interview attached to the final rejection.

(7) Grouping of Claims

In consideration of the rejections under Sections 103 and 112, appellant will refer to Claim 28.

(8) Argument.

(a) The Claims are not indefinite under Section 112.

(i) The examiner has objected to the language "at about the time of the transaction" without, however, formally rejecting the claim under Section 112. Nevertheless, it is thought that the intent of the rejection is under Section 112. A review of the specification as outlined above shows that a series of sequential steps are taken in performance of the claimed method. A thought which runs through the specification is that the steps are carried out as a chain or string of procedures leading to the ultimate production of an accounting report. Because the steps are taken sequentially, they are not carried out instantaneously or simultaneously. In a well-known context, a credit card sale runs several steps, e.g., presenting a service check to a cashier at a place of business accompanied by a credit card; entering the credit card number or passing the credit card through a reader; recording the amount of the charge; transmitting the data electronically and actually carrying out the transaction by obtaining the customer signature to a debit memorandum. All of these transactions take place at about the same time but they are sequential and the sequence may be varied or altered. Clearly, they are not carried out exactly at the same times but only "at about" the same time. Such a time frame is to be distinguished from a procedure in which entries are made daily or weekly, i.e., not at about the time of the transaction.

Within the context of the claim, the words are entirely clear. They echo the sequence of events set forth in a specification and they are entirely clear and definite to a person desiring to follow the invention based upon the teaching of the specification.

(2) The examiner has rejected the claims under Section 112 because of use of the words "standardized codes" stating that they "can be of any standard be it government, industry or proprietary". Here too the specification is entirely clear, see e.g., p. 5, lines 3-4

"a standardized account menu for business and personal financial transactions is most oftentimes established. See, for example, United States Patent Number 5, 193, 055, however, establishment of subcategories of income expense items may be made resulting in more than one detailed subcoding schedule."

The point which is made in the specification is that a standard is established, and it is clear that any standard acceptable to the users may be employed. Practice of the invention is not dependent or predicated upon use of a particular standard whether "government, industry or proprietary" so long as the standard is known and is adhered to. Changing from one standard to another in no ways changes the practice of the invention and it causes no ambiguity whatsoever. Accordingly, the rejection under Section 112 is unsound and should be reversed.

(b) The Claims Are Not Made Obvious Under Section 103

The sole ground of rejection on the art is the report of the Kniffen interview attached to the Office Action. Kniffen, however, totally fails to meet the requirements of the claims. Reduced to simplest terms, Kniffen is directed to electronic transmission of data. Kniffen fails, however, to take the steps necessary to develop an accounting statement in a desired format.

The nature of what is disclosed by Kniffen is indicated by reference to various statements in the Kniffen interview. The premise of the interview is that

". . . The Budd Co. . . . has been an active player in financial electronic data interchange." (P.1, Abstract, lines 2-4.)

\* \* \*

"Budd started by transmitting Advance Shipment Notifications . . . our customers started sending weekly build schedule releases to Budd." (P.2, lines 8-12.)

\* \* \*

"In addition to sending data, General Motors pays us via electronic funds transfer." (P.2, lines 26-29.)

\* \* \*

"The most beneficial and acceptable financial transactions include electronic invoicing and payment remittance detail." (P.6, lines 6-8.)

The foregoing quotations make clear that the conception of an automated accounting system is not presented by Kniffen.

The interview states the major benefits of the program as envisioned by Mr. Kniffen (pp. 2-3). These "major benefits" include such things as "fewer data input errors," "improved cash availability and predictability," "substantial reduction in manual/clerical workload," "elimination of many hard copy documents," "timely updating of financial database files," and "improved relationship with customers." None of this suggests the system which is proposed, described and claimed by the applicant. There is no indication that payments or data

transmitted are categorized, including changes in inventory; the payments reflect only current period transactions without any suggestion that they are coded; there is no indication of handling of user transactions such as credit cards, checks, debit cards, investment accounts, ATM, etc.; there is no suggestion of income tax calculation. All of these things are doable with the applicant's system.

Kniffen does not disclose any concept of considering accounting problems before the transaction takes place or after a transaction has taken place. This is why Kniffen fails to show any concept of accounting. Kniffen likewise shows no concept of being integrated with any other systems such as a credit card system. While Kniffen refers to inter firm communications between General Motors and Budd, including transmission of invoices and electronic funds transfer, there is no teaching that those steps are to be integrated with other steps in the accounting systems of General Motors or Budd. Instead, the clear inference is that there is no such integration. Thus, it becomes necessary for each of General Motors and Budd to separately enter the data transmitted electronically into their respective accounting systems.

The total silence of Kniffen in these areas can only lead to the conclusion that Kniffen had no conception extending beyond what is actually stated, namely, electronic transmission of data. That, of course, has been commonplace for some years as exemplified by credit card charges at retail establishments where data is transmitted from a terminal by a swipe of the card and/or manual input.



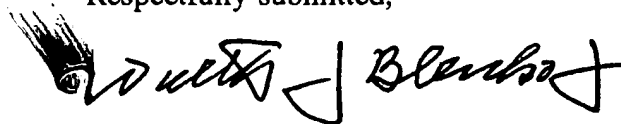
In summary, Kniffen fails to show the conception which is claimed by the applicant and nothing within Kniffen suggests the applicant's method. Obviousness can only come from the applicant's disclosure, which is not a proper basis for rejection of the claims.

### Conclusion

The Final Rejection should be reversed and the appealed claims allowed to the applicant.

An oral hearing is requested.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Walter J. Blenko, Jr.", with a stylized flourish at the end.

Walter J. Blenko, Jr.  
Registration No. 18, 526  
Eckert Seamans Cherin & Mellott, LLP  
600 Grant Street, 42nd Floor  
Pittsburgh, Pennsylvania 15219  
(412) 566-6189  
Attorneys for Applicant

## APPENDIX

The claims on appeal are:

2. The method of Claim 28, including entering into said file information regarding said first entity.
3. The method of Claim 2, wherein said information includes beginning balances for income, expenses, assets, liabilities, bank accounts and the like.
4. The method of Claim 3, including entering into said file coding information appropriate to said first entity.
5. The method of Claim 28, including providing said first entity and said agents a passcode to permit access to said file.
6. The method of Claim 28, including providing a subsidiary ledger for each of said other entities; and transferring selected subsidiary ledgers from said other entities to said file.
7. The method of Claim 6, including providing access to said subsidiary ledger for agents of said first entity, whereby said agent can perform one or more activities selected from the group consisting of entering, deleting, reviewing, adjusting and processing said data inputs in said selected subsidiary ledgers.

14. The method of Claim 28, including providing a funds transfer facility to facilitate transfer of funds to and from said first entity and other entities.

15. The method of Claim 14, including employing said funds transfer facility to receive an instruction to transfer funds; and transferring funds from said first entity to said other entity based on said instruction.

16. The method of Claim 14, including employing said funds transfer facility to transmit data related to said transfer of funds.

17. The method of Claim 14, including employing said funds transfer facility to adjust current records.

21. A system for providing financial accounting reports and statements for a first entity such as an individual or a business, said system comprising:

a first computer having at least one file;

a second computer for receiving data inputs, said data inputs including electronically recorded financial transactions made between said first entity and a second entity;

first communication means for transferring said data inputs from said second computer to said file of said first computer; and

means for providing access to said file of said first computer for agents of said first entity so that one of said agents can perform one or more activities selected from the group consisting of entering, deleting, reviewing, adjusting and processing said data inputs.

22. The system of Claim 21, wherein  
said first computer has means for generating at least one accounting report from said  
data inputs.

23. The system of Claim 21, including  
a first said file in said first computer for receiving accrual accounting data inputs; and  
a second said file in said first computer for receiving cash accounting data inputs.

24. The system of Claim 21, including  
means for transferring funds from said first entity to said second entity.

25. The system of Claim 21, including  
said second computer has means for electronically recording, collecting,  
processing, storing and transmitting said financial transactions.

26. The system of Claim 21, including  
said first computer is a personal computer or a telephone computer.

27. The system of Claim 21, including  
said second computer is a personal computer.

28. A method of providing financial accounting reports and statements for a first entity such as an individual or a business which comprises:

providing a menu of transaction codes, including standardized codes;

conducting through other entities separate financial transactions, including transfer of funds and instructions for transfer of funds, with the first entity at a plurality of separate points;

associating a transaction code from the menu at the time when funds are transferred or instructions are given for transfer to complete the financial transaction;

transmitting a record of each transaction and selected transaction code to at least one file at about the time of the transaction;

sorting the transactions in the files and producing an accounting statement in a desired format;

printing or electronically displaying the statement results.